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Approved For Release 2003/02/27 : CIA-RDP79T00472A001100030010-6

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31 March 1965

OCI No. 0557/65  
Copy No. 40

## INTELLIGENCE MEMORANDUM

DEVELOPMENTS IN COUNTRIES ON THE COUNTERINSURGENCY LIST

DIRECTORATE OF INTELLIGENCE

Office of Current Intelligence

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CENTRAL INTELLIGENCE AGENCY  
Office of Current Intelligence  
31 March 1965

INTELLIGENCE MEMORANDUM

Counterinsurgency Developments

1. Congo

The government's military operation to seal the northeast border begun on 14 March was just about completed by 30 March. The military picture remains dark, however, in the Fizi-Uvira area south of Bukavu, where a rebel build-up is under way.

The government advance through the northeast was unexpectedly rapid. There was no effective rebel resistance and sizable quantities of Communist-manufactured arms were recovered. Aru on the Ugandan border was captured on 25 March, and Aba--106 miles to the north and the principal point of entry from Sudan--was captured on 28 March. The column then captured Faradje, 40 miles west of Aba, and one of the last major airfields remaining under rebel control nearby. On 29 March it captured Watsa, believed to be the last rebel stronghold in the northeast. Some of the mercenaries and Congolese have been left behind to garrison the captured towns. A further move to Dungu, 90 miles west of Faradje, is now planned.

The lack so far of any concerted and organized rebel resistance is surprising. Colonel Hoare had estimated that the movement from Bunia to Aba

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would require up to two months. His forces accomplished it by foot and vehicle in less than two weeks. Some of the factors involved in the apparent rebel collapse were the lack of good leadership, the growing disenchantment of the local tribes with the outsiders, and the effectiveness of mercenary units and air strikes.

While some rebel resistance may yet be encountered, the rebels' supply and communications lines have been cut off, and they may not be able to mount more than harassing operations.

Rebels remain active around Paulis. A sizable, well-armed force is reported north of Bumba--240 miles downriver from Stanleyville. The Bumba garrison has recently been reorganized, but operations to clear the banks of the Congo River to Stanleyville have again been postponed. There is also continuing rebel activity in the region southwest of Bumba and east of Boende.

The current key trouble spot is around Fizi in the eastern Congo, where the rebel build-up continues. Rebels are harassing government forces at the important road junction at Lulimba, preventing a counter offensive into Fizi. Part of the rebel group has moved north and now threatens the Uvira region. (Map)

## 2. Sudan

The long-awaited conference to determine the constitutional status of the three southern provinces was finally convened in Khartoum on 18 March. It quickly became clear, however, that neither north nor south was willing to compromise, and the meeting collapsed amid increased mutual hostility. Government efforts to suppress recently stepped-up terrorism in the south will further inflame anti-Arab feeling there and the conflict will probably drag on indefinitely.

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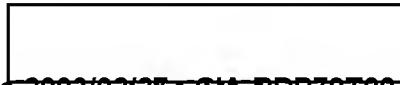
In Khartoum, the leftists have still not joined the transitional cabinet. Four seats were left open for them when the more moderate Umma and National Union parties formed a new government last month, but they apparently still prefer to remain outside where they are free to call strikes and demonstrations. The moderates still hope to inveigle the left into the cabinet, however, and a second reshuffle is apparently now in the works.

The Communists and other leftists have seized on the failure of the north-south conference as an excuse to press for a delay in the elections which were scheduled to take place on a country-wide basis by 21 April. Even the moderates now seem resigned to a postponement, although this will give the leftists more time to organize a broader popular base and improve their chances for making a good showing when elections are eventually held.

Meanwhile, the Egyptians are reportedly attempting to entice the National Union Party out of its present shaky coalition with the anti-Egyptian Umma by promising moral and financial support. Collapse of the coalition would further improve the leftists' election prospects. It would probably also provoke renewed clashes between radical and conservative groups, and could frighten the Umma into calling on the army to return to power.

### 3. Laos

Government forces have moved swiftly in an effort to suppress the rebellion mounted in central Laos by deposed rightist leader General Phoumi. Loyal troops have occupied Thakhek, the Mekong River town which had been seized by rebellious rightist elements this past week end. Additional government troops have been airdropped

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into the area. Rebel forces have reportedly withdrawn to the north, perhaps intending to join with other dissident units. Phoumi sympathizers in other areas may have been deterred from mounting similar uprisings by the government's firm reaction to the seizure of Thakhek.

There has been no significant Communist military activity in the past week. Government units continue effectively to resist a Communist clearing operation in the Sam Neua area.

#### 4. Thailand

Communist activity continues to beset the Thanom government.

The developing Communist threat in northeast Thailand, long a problem area, was most recently underscored by the murder of a provincial policeman active in counterinsurgency programs. There have been at least four similar acts of terrorism in this area since late 1964 when an upsurge in Communist activity was first reported.

The Communists have also stepped up their activity in other areas of Thailand in preparation for elections which are expected to be held this year. In Bangkok, the Communist-front Thai Independence Movement has been circulating tracts. Other Communist fronts reportedly are ending periods of inactivity and are recruiting new members.

The government is fully aware of the nature of the Communist threat and is planning new measures to supplement existing civic action programs. A military roundup of subversives in the northeast early last month ended in failure.

#### 5. Brazil

An armed attack on three small communities in southern Brazil on 26 March by a band of about 40 uniformed men is the first serious outbreak of

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politically motivated terrorism since President Castello assumed office nearly a year ago. The band, led by a leftist former army officer, raided police posts and a radio installation in the vicinity of Tres Passos in northwestern Rio Grande do Sul State. They broadcast an antigovernment proclamation before fleeing with their loot-- weapons, ammunition, and uniforms. Three were killed by the pursuing army. Others, including the leader, were captured.

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#### 6. Colombia

The main police problem in rural areas continues to be banditry, according to US observers. Although banditry reportedly decreased 80 percent in 1964, new bands have since made their appearance. Police report that the new gangs are just as aggressive, cunning, and brutal as their predecessors. They appear, moreover, to be better armed, numerically stronger, and more youthful compared with typical bands of the past decade.

A wave of kidnapings has generated widespread revulsion throughout the nation. In Bucaramanga, for example, all businesses and banks closed for an afternoon in honor of a landowner and his wife who were both killed resisting kidnapers. In Valle, police made their third successful

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roundup of kidnapers when, in mid-March, they arrested seven men in the act of kidnaping a land-owner. The seven confessed and will be tried in the departmental court. In Caldas, earlier in the month, another seven-man gang was arrested.

Citizens of Bogota, unnerved by the current wave of insecurity, are backing a suggestion put forward by several newspapers that the army provide patrols in the city to augment the local police. The idea has not yet been implemented, but the War Ministry is said to be receptive, and plans are being discussed with the Administrative Department of Security (DAS).

Meanwhile, bandit activities other than kidnaping have continued in southern Tolima, Bolivar, Meta, and Cauca. In a series of clashes reported in the past week, four bandits were captured, and five policemen and three bandits killed.

Communist activity during the week was limited primarily to propaganda operations and recruiting. The Bogota Communist newspaper printed a party membership application blank on 4 March. This is said to be the first instance of such blatant recruiting in Colombia. Recruiters for the Army of National Liberation (ELN), the group which boasts of its Cuban connections, reportedly were attempting to gain new members in Huila. Although the departmental capital, Neiva, has been a Communist center for several years and the apparent coordinating headquarters of the paramilitary activities of the Communist groups in Marquetalia, Riochiquito, El Pato, and Guayabero, overt Communist activity within the state has been minimal because of the watchfulness of the local DAS contingent.

In Bogota, as the week closed, police announced the arrest of Matilde Casaneda, nicknamed "Cinderella," who allegedly was associated with bandit chieftain Efrain Gonzalez one of the worst of the old-timers. She is charged with taking part

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in the murder of four witnesses against Gonzalez  
in 1961. (Map)

#### 7. Ecuador

Authorities in the Cuenca area have apprehended two guerrillas and one of their instructors belonging to the so-called "Victory or Death" gang led by the notorious Galarza brothers. The band had moved into the mountains after the Guayaquil police seized their arms cache in a 20 February raid. These setbacks, which appear to have unnerved the Cuban-trained Galarzas, will greatly reduce their ability to conduct guerrilla operations for the time being.

#### 8. Venezuela

Army patrols pursuing guerrillas in the mountainous states of Falcon and Lara have overrun several recently evacuated guerrilla encampments. The troops' inability to capture guerrillas has led army leaders to believe that local residents are providing information to the enemy, and a number of suspected collaborators have been interrogated, both in the field and at army headquarters. Last week, military suspicions were aroused by two telegraphers who handle military communications over commercial nets in Lara. The telegraphers had both been kidnaped several times by the guerrillas and subsequently released--so often, in fact, that when taken into custody the army was unable to decide whether to charge them with being collaborators or with being guerrillas.

Police in the eastern port city of Puerto la Cruz, in Anzoategui, have arrested two men and four youths on charges of being "urban guerrillas." The group had hidden arms, ammunition, uniforms, and 60 powerful homemade bombs in their homes.



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Chinese Communist Subversion in Nepal

1. Communist China is endeavoring to broaden its now marginal influence in Nepal: it is attempting to infiltrate agents into key government positions, to cultivate the good will of political leaders, and to achieve control over the small and divided Communist Party of Nepal (CPN). These efforts, conducted with circumspection and restraint, have enabled the Chinese to acquire some influence in the palace and to lay the groundwork for future subversion while maintaining a reputation among many Nepalese as a peace-loving and benevolent people.

2. The pro-Peiping faction of the CPN has approximately 250 members--about equal in size to the Moscow-oriented faction--and about 3,500 sympathizers. Although many of its leaders are exiled in India, the faction continues to function within Nepal and is now attempting to infiltrate King Mahendra's newly launched local government land reform movement. The minister for local government is probably a Communist agent.

3. In Katmandu itself, as well as along the 65-mile road which they are building from there to the Tibet border, the Chinese Communists have been assiduously cultivating Nepalese on all levels. Presumably, the Chinese have made some friends and possibly have acquired some agents.

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4. Peiping's principal target, however, is probably King Mahendra himself, whose authority is almost unchallenged.

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6. At least for the next year or so, Chinese influence in Nepal will probably remain under control, assuming that the King retains his good health and the loyalty of his people. A failure of the King's ambitious land reform program or his death or incapacitation would encourage a great variety of political movements, however, thus creating a situation highly susceptible to Chinese subversion.

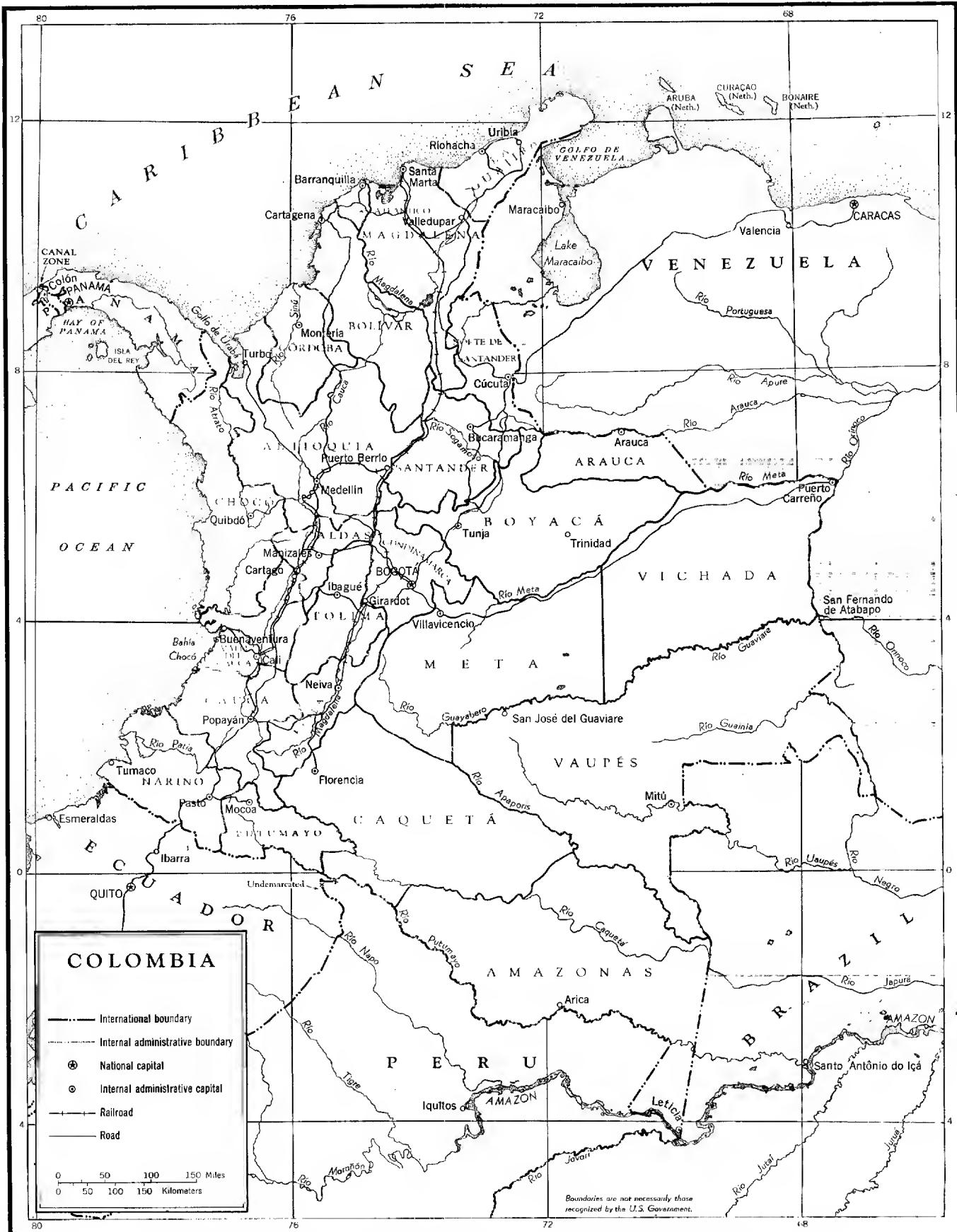


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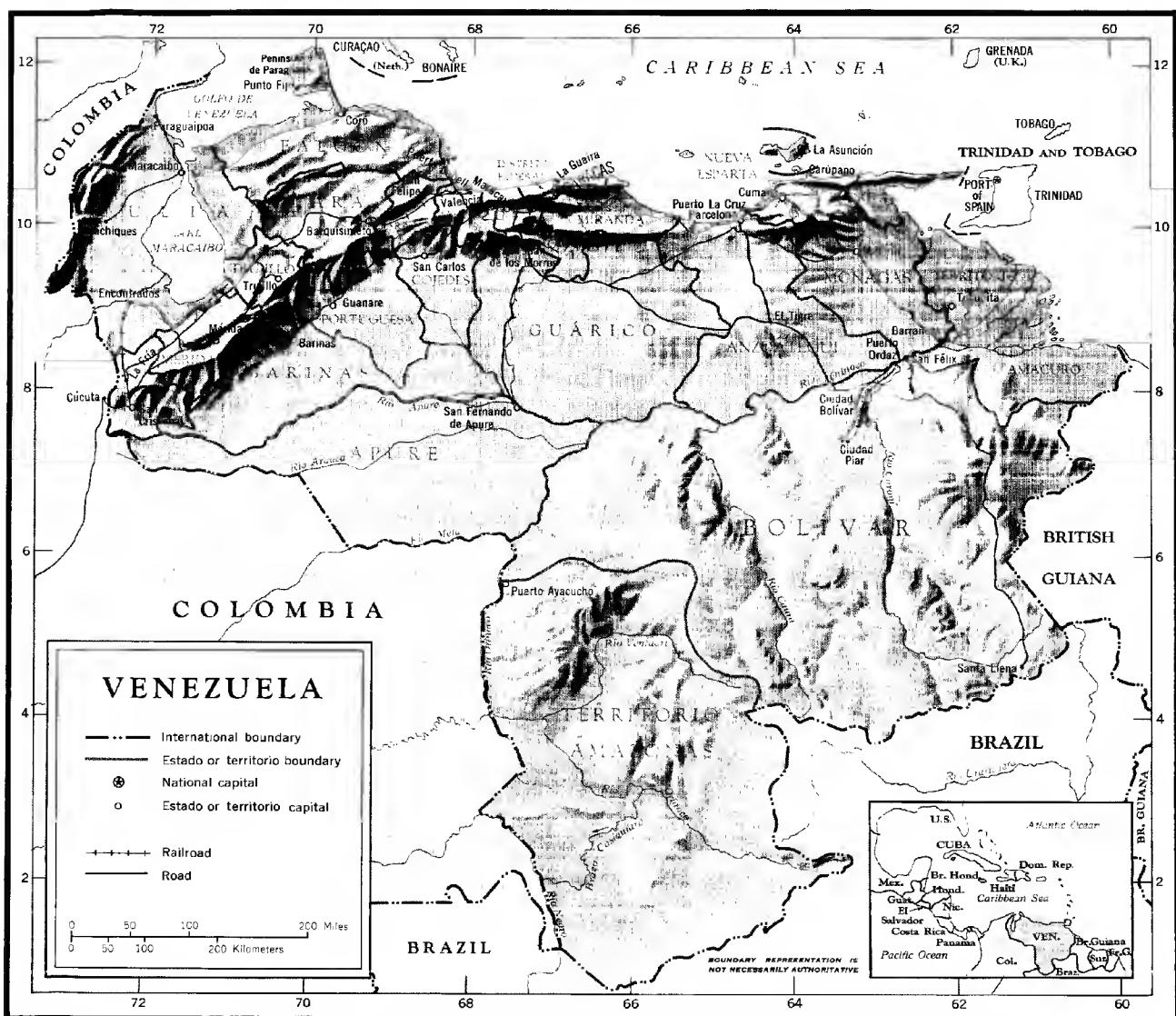
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